

COUNTY MENTAL HEALTH, MENTAL RETARDATION, AND DEVELOPMENTAL DISABILITIES FUNDING: CURRENT COUNTY LEVIES

PROPERTY TAXES GENERALLY:

- Power to authorize a local government entity to levy a property tax is expressly reserved to the state in the local government Home Rule Amendments of the Iowa Constitution.
- Classification of property, property values, and whether the property is taxable at all are specific to each jurisdiction. Accordingly, impacts will not necessarily be uniform.
- Timing of property taxes. (18 month delay).

BASIC COUNTY PROPERTY TAX LEVIES:

- The rural services levy is imposed only against property located in the unincorporated areas of the county and is deposited in the rural services fund to pay for those services provided primarily to the residents of the unincorporated areas of the county.
- The rural services levy may not exceed \$3.95 per \$1,000 of assessed value. (Some exceptions for exceeding this limit will be noted shortly)
- **Rural Services Levy Data: FY 2012 (99 counties)**
Average: \$3.30
Range: \$1.52 - \$4.87
Counties at or above: 23
- The general services levy, which is imposed countywide, may not exceed \$3.50 per \$1,000 of assessed value and is used to pay for those services provided to all county residents.
- **General Services Levy Data: FY 2011 (99 counties)**
Average: \$3.66
Range: \$2.45 - \$5.35
Counties at or above: 97

EXCEEDING THE LEVY LIMITS:

Iowa Code § 331.424 Supplemental levies.

- To the extent that the basic levies (general services levy and rural services levy) are insufficient to meet a county's needs for the certain services (not applicable to MH/MR/DD), the board may certify supplemental levies. These supplemental levies are approved by the board of supervisors and are not required to be approved at election.
- The amount of the supplemental levy rate is not limited by statute, but are limited to the amount needed to fund the county need.
- Senate File 69, enacted in 1995, removed the authority to levy taxes to pay various MH/MR/DD service expenditures by supplemental levy and established a separate fund for such expenditures with a limited levy rate determined by formula for each county.
- **Rural Services Supplemental: FY 2011 (10 counties)**
Range: \$0.20 - \$0.95
- **General Services Supplemental: FY 2011 (95 counties)**
Average: \$1.78
Range: \$0.02 - \$3.49

Iowa Code § 331.425 Additions to levies — special levy election.

- Board of supervisors may certify an addition to a levy in excess of the amounts otherwise permitted under Iowa Code §§ 331.423(basic levy max), 331.424 (supplemental levy), and 331.426 (additions to basic levies for unusual circumstances) if approved by voters at a special levy election.
- The proposition to be submitted may be for multiple years and must specify the additional tax rate.

Iowa Code § 331.426 Additions to basic levies.

- If a county has unusual circumstances, creating a need for additional property taxes for general county services or rural county services in excess of the amount that can be raised by the levies otherwise permitted under Iowa Code §§ 331.423 through 331.425, the board may certify additions to each of the basic levies.
- Basis for the additional property tax must be one or more of the following:
 - ✓ An unusual increase in population based on most recent certified federal census.
 - ✓ A natural disaster or other emergency.
 - ✓ Unusual problems relating to major new functions required by state law.
 - ✓ Unusual staffing problems.
 - ✓ Unusual need for additional moneys to permit continuance of a program which provides substantial benefit to county residents.
 - ✓ Unusual need for a new program which will provide substantial benefit to county residents, if the county establishes the need and the amount of necessary increased cost.
 - ✓ A reduced or unusually low growth rate in the property tax base of the county.

MENTAL HEALTH, MENTAL RETARDATION, AND DEVELOPMENTAL DISABILITIES.

- SF 209 repeals, which go into effect on July 1, 2013, include Iowa Code section 331.424A which:
 - ✓ Establishes a MH/MR/DD services fund in each county.
 - ✓ Designates where state or federal monies for such services are to be credited.
 - ✓ Requires each county is to certify a levy for payment of services.
- This levy is not limited by an amount per thousand dollars of value.
- Levy may not exceed an amount equal to the amount of base year expenditures for services as defined in Iowa Code § 331.438, less the amount of property tax relief to be received pursuant to Iowa Code § 426B.2.
- Levy is not subject to the other provision in law authorizing a county to exceed, increase, or appeal a property tax levy limit.
- **MH/MR/DD Levy Data: FY 2012 (99 counties)**
 - Average:** \$0.97
 - Range:** \$0.20 - \$2.33